

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2006 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-11-07

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Stutzman & Gates, LLC

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Police Jury's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units would have been reported as \$29,833,693, \$8,689,710, \$21,143,983, \$19,484,545, and \$17,921,924. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by \$0.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Allen Parish Police Jury, as of December 31, 2006, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting blended component units as discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Allen Parish Police Jury, as of December 31, 2006, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Allen Parish Police Jury as of December 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2007, on our consideration of the Allen Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on pages 27 through 30 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Allen Parish Police Jury has not presented management's discussion and analysis that the *Governmental Accounting Standards Board* has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Police Jury's basic financial statements. The other supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation paid elected officials, schedule of expenditures of federal awards, schedule of findings and questioned costs, and summary schedule of prior audit findings have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The management's corrective action plan has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Stutzman & Gates, LLC

Stutzman & Gates, LLC
June 25, 2007

BASIC FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Net Assets - Governmental Activities
December 31, 2006

ASSETS

Cash	\$ 4,977,243
Receivables	2,926,303
Prepaid assets	6,522
Capital assets, net of accumulated depreciation	14,716,622
Bond issue costs, net of accumulated amortization	<u>19,579</u>

TOTAL ASSETS 22,646,329

LIABILITIES

Accounts payable	555,397
Accrued interest payable	25,594
Compensated absences payable	45,591
Bonds payable - due within one year	412,000
Bonds payable - due in more than one year	<u>1,530,327</u>

TOTAL LIABILITIES 2,568,909

NET ASSETS

Invested in capital assets, net of related debt	13,830,202
Restricted for capital asset acquisitions	527,784
Unrestricted	<u>5,719,434</u>

TOTAL NET ASSETS \$ 20,077,420

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Activities
For the Year Ended December 31, 2006

	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental activities:					
General government	\$ 1,353,696	\$ 344,179	\$ 637,951	\$ -	\$ (371,568)
Public safety	970,336	-	592,655	299,000	(78,661)
Public works	4,732,277	-	64,018	-	(4,668,259)
Economic development	213,610	131,569	172,769	586,574	877,302
Health and welfare	5,016	-	-	-	(5,016)
Other governments	168,648	-	20,520	-	(148,123)
Interest on long-term debt	70,981	-	-	-	(70,981)
Total governmental activities	<u>\$ 7,514,564</u>	<u>\$ 475,748</u>	<u>\$ 1,487,919</u>	<u>\$ 885,574</u>	<u>\$ (4,665,323)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem					1,779,192
Sales and use					2,662,315
Severance					1,254,472
Franchise					5,297
Other					3,684
Licenses and permits					64,085
All other revenues					753,225
Investment earnings					<u>248,995</u>
Total General Revenues					<u>6,771,235</u>
CHANGE IN NET ASSETS					2,105,912
NET ASSETS - BEGINNING					17,971,506
NET ASSETS - ENDING					<u>\$ 20,077,418</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Balance Sheet, Governmental Funds
December 31, 2006

	GENERAL FUND	SOLID WASTE FUND	PARISH ROAD FUND	COMPACT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 116,765	\$ 1,241,868	\$ 2,192,641	\$ 808,198	\$ 618,771	\$ 4,977,243
Receivables	911,736	131,763	1,755,614	-	115,801	2,815,914
Due from other funds	37,788	-	-	-	2,910	40,698
Prepaid assets	6,522	-	-	-	-	6,522
TOTAL ASSETS	\$ 1,072,809	\$ 1,373,631	\$ 3,952,255	\$ 808,198	\$ 735,482	\$ 7,943,375
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 246,882	\$ 105,889	\$ 142,681	\$ 24,395	\$ 35,450	\$ 555,387
Due to other funds	2,910	-	14,286	-	23,500	40,696
Total Liabilities	249,792	105,889	156,967	24,395	58,950	596,063
Fund Balances:						
Reserved for:						
Capital outlay	-	-	-	-	413,868	413,868
Debt service	-	-	-	-	5,379	5,379
Unreserved - undesignated	822,917	1,267,742	3,795,288	784,803	-	6,670,750
Unreserved, reported in non major:						
Special revenue funds	-	-	-	-	257,285	257,285
Total Fund Balances	822,917	1,267,742	3,795,288	784,803	676,532	7,347,282
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,072,809	\$ 1,373,631	\$ 3,952,255	\$ 809,198	\$ 735,482	\$ 7,943,375

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2006

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS
AT DECEMBER 31, 2006

\$ 7,347,282

Total net assets reported for governmental activities in the
Statement of Net Assets is different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in the funds.

Capital assets, net of accumulated depreciation

14,716,622

Certain property tax revenue receivable that will not be
collected within 60 days of year end are not considered
available in the governmental funds.

7,449

Bond issue cost which are reported as expenditures in the
year incurred in governmental funds are deferred and
amortized in the statement of activities.

19,579

Certain liabilities are not due and payable in the current
period and accordingly are not reported as fund
liabilities. All liabilities are reported in the statement
of net assets.

Bonds payable

\$ 1,942,327

Accrued interest payable

25,594

Compensated absences payable

45,591

(2,013,512)

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES
AT DECEMBER 31, 2006.

\$ 20,077,420

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	GENERAL FUND	SOLID WASTE FUND	PARISH ROAD FUND	COMPACT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes:						
Ad valorem	\$ 193,980	\$ -	\$ 1,667,648	\$ -	\$ -	\$ 1,861,628
Sales and use	-	2,284,897	-	-	377,418	2,662,315
Other taxes, penalties, interest, etc.	3,684	-	-	-	-	3,684
Licenses and permits	67,447	-	-	-	-	67,447
Intergovernmental revenues:						
Federal and state grants	1,433,294	-	49,491	-	-	1,482,785
State funds:						
Parish transportation funds	-	-	331,967	-	-	331,967
State revenue sharing (net)	17,650	-	142,673	-	-	160,323
Severance taxes	1,254,472	-	-	-	-	1,254,472
Other state funds	124,083	-	-	-	-	124,083
Fees, charges and commissions for services	153,501	-	-	-	-	153,501
Fines and forfeitures	-	-	-	-	295,528	295,528
Gaming revenues	-	-	-	596,411	29,621	626,232
Investment earnings	16,066	43,337	125,080	42,686	21,794	248,963
Other revenues	116,537	-	72,231	113,787	127,427	429,982
TOTAL REVENUES	3,360,714	2,328,234	2,368,068	752,898	851,968	9,702,910
EXPENDITURES						
General government:						
Legislative	138,652	-	-	-	-	138,652
Judicial	229,258	-	-	-	330,336	559,594
Elections	34,774	-	-	-	-	34,774
Financial and administrative	89,480	-	-	-	-	89,480
Other	106,473	-	-	-	388,007	492,480
Public safety	915,906	-	-	-	-	915,906
Public works	-	1,435,833	2,504,679	254,242	-	4,194,954
Health and welfare	5,016	-	-	-	-	5,016
Payments to other governments	167,040	-	1,808	-	-	168,848
Economic development and assistance	157,573	-	-	-	-	157,573
Debt service	-	-	-	-	492,673	492,673
Capital outlay	759,250	-	283,720	150,000	2,500	1,195,470
TOTAL EXPENDITURES	2,603,402	1,435,833	2,790,207	404,242	1,211,516	6,445,200
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	777,312	892,401	(401,119)	348,644	(359,528)	1,257,710
OTHER FINANCING SOURCES (USES):						
Bond proceeds	-	-	65,000	-	-	65,000
Transfers in	20,810	-	753,556	-	760,538	1,554,904
Transfers out	(635,223)	-	(130,937)	(500,000)	(266,744)	(1,554,904)
TOTAL OTHER FINANCING SOURCES (USES)	(614,413)	-	687,619	(500,000)	491,794	65,000
NET CHANGE IN FUND BALANCE	162,899	892,401	288,500	(151,356)	132,268	1,322,710
FUND BALANCES - BEGINNING	680,018	375,341	3,508,788	936,159	544,286	6,024,572
FUND BALANCES - ENDING	\$ 822,917	\$ 1,267,742	\$ 3,795,288	\$ 784,803	\$ 676,532	\$ 7,347,282

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2006

NET CHANGE IN FUND BALANCE - TOTAL
 GOVERNMENTAL FUNDS

\$ 1,322,710

Amounts reported for governmental activities in the statement
 of activities are different because:

Governmental funds report capital outlays as expenditures,
 however, in the statement of activities the cost of those
 assets is allocated over their estimated useful lives and
 reported as depreciation expense. This is the amount by
 which capital outlay exceeded depreciation expense:

Capital outlay - net of intergovernmental reimbursement
 Depreciation expense

\$ 1,195,470
(764,120) 431,350

Certain property tax revenues receivable will not be collected
 for several months after year end and are not considered
 available in the governmental funds.

7,449

Certain property tax revenues from the prior year were not collected
 until after 60 days into the current year. These amounts were not
 considered available in last years governmental funds and have
 been included in the current year's revenue in governmental funds.

(89,883)

Bond proceeds provide current financial resources to governmental
 funds, but issuing debt increases long-term liabilities in the
 statement of net assets.

(65,000)

Repayment of bond principal is an expenditure in the
 governmental funds but reduces long-term liabilities in the
 statement of net assets.

492,873

In the statement of activities some expenses do not require
 the use of current financial resources and therefore are not
 reported as expenditures in the governmental funds.

Prior year accrued interest payable exceeded the
 current year payable.

7,953

Current year compensated absences exceeded the
 prior year payable.

6,042

Bond issue amortization for the current year.

(8,282)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 2,105,912

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Fiduciary Net Assets
December 31, 2006

	AGENCY FUND
Assets	
Cash and cash equivalents	\$ 149
Total Assets	149
Liabilities	
Held for others	149
Total Liabilities	149
Net Assets	\$ -

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

INTRODUCTION

The Allen Parish Police Jury is the governing authority for Allen Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire on January 1, 2008.

Louisiana Revised Statute (R.S.) 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, gaming revenues, and various other state and federal grants.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The police jury has oversight of other component units that are, either, blended into the police jury's basic financial statements or discretely presented in a separate column in the government-wide financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of its component units, except as discussed in the following paragraph, are included in the accompanying financial statements.

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The police jury maintained the accounting records of the Criminal Court Fund for the year ended December 31, 2006.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with U. S. generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Allen Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Allen Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Allen Parish Police Jury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The police jury reports the following major governmental funds:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Solid Waste Fund accounts for the proceeds of a sales tax to be used for the collection and disposal of solid waste in Allen Parish.

The Parish Road Fund accounts for costs associated with constructing and maintaining the road system within Allen Parish.

The Compact Fund accounts for the receipt and disbursement of grant revenues received from the Coushatta Tribe of Louisiana.

Additionally, the government reports the following fund types:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the police jury. Fiduciary funds include:

- A. Agency funds account for assets that the police jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Deposits and Investments

law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectives.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish wide taxes:			
General	3.50	3.50	-
Special revenue funds:			
District Maintenance taxes:			
No. 1	9.16	9.16	2011
No. 1	21.47	21.47	2015
No. 1A	8.10	8.10	2015
No. 2	7.10	7.10	2010
No. 2	10.26	10.26	2011
No. 2	5.13	5.13	2011
No. 3	8.95	8.95	2011
No. 3	11.15	11.15	2009
No. 3	34.77	34.77	2015
No. 4	30.91	30.91	2015
No. 4	21.64	21.64	2015
No. 5	5.27	5.27	2012
No. 5A	3.19	3.19	2015

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the police jury:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Receivables and Payables

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Texas Eastern Transmission	Utility	\$ 4,080,800	5.88%
Transcontinental Gas	Utility	4,001,840	5.75%
Cleco Corporation	Utility	3,788,410	5.45%
Total		<u>\$ 11,881,050</u>	<u>17.08%</u>

Sales Taxes. On September 29, 1984, voters of the parish approved a seven-tenths of one per cent sales tax, which is dedicated to the collection and disposal of solid waste. The tax is for a fifteen year period and expires on November 30, 1999. Effective January 1, 1985, the jury entered into an agreement with the Allen Parish School Board whereby the school board will provide collection services for a fee of two percent of total collections. On November 20, 1999, voters of the parish renewed this tax for a fifteen year period and the tax expires on November 30, 2014.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	40 - 50 years
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 10 years
Equipment	5 - 15 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Compensated Absences

The police jury has the following policy relating to vacation and sick leave:

Employees of the Allen Parish Police Jury receive from 5 to 20 days of vacation leave each year, depending on their length of service. Until January 10, 2000 vacation leave could be accumulated without limitation. After that date vacation leave must be used in the year earned or it is forfeited. In addition, police jury employees earn up to 13 days of sick leave each year. Sick leave can be accumulated without limitation, however, accumulated sick leave is forfeited upon termination of employment.

Employees of the Thirty-Third Judicial District Criminal Court earn a maximum of 10 days of vacation leave and 5 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate and employees cannot be paid for unused leave upon termination of employment.

Permanent employees of the Allen Parish Police Jury earn compensatory time at the rate of 1.5 per hour for overtime hours worked. Employees must use earned compensatory time within one month or it will be forfeited. Unused compensatory time at the time of termination will be paid to the employee at that time.

The police jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches.

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize both premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The police jury uses the following budget practices:

Preliminary budgets for the ensuing year are prepared on the GAAP basis by the secretary-treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular February meeting of the next year, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during January, and notice is published in the official journal.

The secretary-treasurer presents necessary budget amendments to the jury when actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within functional levels, the secretary-treasurer has the authority

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

to make amendments as necessary. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 2006, the police jury adopted budgets for the General Fund, all special revenue funds, all capital projects funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all two amendments.

3. CASH AND CASH EQUIVALENTS

At December 31, 2006, the police jury has cash and cash equivalents (book balances) totaling \$4,977,243 as follows:

Demand deposits	\$	31,107
Interest-bearing demand deposits		4,820,413
Time deposits		125,723
Total	\$	<u>4,977,243</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2006, the police jury has \$5,348,529 in deposits (collected bank balances). These deposits are secured from risk by \$129,390 of federal deposit insurance and \$5,219,139 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The receivables of \$2,926,363 at December 31, 2006, are as follows:

Class of Receivable		
Taxes:		
Ad valorem	\$	1,797,477
Sales and use		131,763
Other		4,794
Intergovernmental-grants:		
State		979,729
Other		12,600
Total	\$	<u>2,926,363</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2006, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 432,952	\$ -	\$ 432,952
Land	422,300	150,000	-	572,300
Total capital assets, not being depreciated	<u>\$ 422,300</u>	<u>\$ 582,952</u>	<u>\$ -</u>	<u>\$ 1,005,252</u>
Capital assets being depreciated				
Buildings	\$ 4,350,113	\$ 39,895	\$ -	\$ 4,390,108
Improvements other than buildings	2,182,849	-	-	2,182,849
Furniture and fixtures	250,040	898	-	250,938
Vehicles	706,953	79,757	-	786,710
Machinery and equipment	2,458,083	491,868	-	2,949,951
Infrastructure	18,134,597	-	-	18,134,597
Total capital assets being depreciated	<u>28,082,615</u>	<u>612,518</u>	<u>-</u>	<u>28,695,133</u>
Less accumulated depreciation for:				
Buildings	987,780	98,713	-	1,086,493
Improvements other than buildings	1,486,664	42,537	-	1,529,201
Machinery and equipment	1,485,199	227,692	-	1,712,891
Furniture and fixtures	188,927	31,713	-	220,640
Vehicles	560,819	58,120	-	618,939
Infrastructure	9,510,254	305,345	-	9,815,599
Total accumulated depreciation	<u>14,219,643</u>	<u>764,120</u>	<u>-</u>	<u>14,983,763</u>
Total capital assets being depreciated, net	<u>\$ 13,862,972</u>			<u>\$ 13,711,370</u>

Depreciation expense of \$764,120 for the year ended December 31, 2006, was charged to the following governmental functions:

General government	\$ 124,612
Public works	529,041
Economic development	58,037
Public safety	54,430
Total	<u>\$ 764,120</u>

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2006 is as follows:

Due To/From Other Funds:

Receivable Fund	Payable Fund	
General Fund	Parish Road Fund	\$ 14,288
Nonmajor Funds	General Fund	2,910
General Fund	Nonmajor Funds	23,500
Total		<u>\$ 40,698</u>

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables/payables consist of the outstanding balances from activity between funds. These balances are expected to be repaid during 2007.

Interfund Transfers:

From	To	
General Fund	Parish Road Fund	\$ 552,300
Compact Fund	Parish Road Fund	200,000
Parish Road Fund	Parish Road Fund	1,256
Nonmajor Funds	General Fund	20,810
General Fund	Nonmajor Funds	82,922
Parish Road Fund	Nonmajor Funds	129,681
Compact Fund	Nonmajor Funds	300,000
Nonmajor Funds	Nonmajor Funds	267,935
Total		<u>\$ 1,554,904</u>

The police jury makes routine transfers between funds to pay routine expenses that occur during the year and to pay debt service on debt as it becomes due.

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$555,397 at December 31, 2006, are as follows:

Salaries	\$ 34,434
Withholdings	7,481
Accounts	513,482
Total	<u>\$ 555,397</u>

8. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2006:

	Bonded Debt	Compensated Absences	Total
Long-term obligations at Beginning of Year	\$ 2,370,000	\$ 52,533	\$ 2,422,533
Additions	65,000	-	65,000
Deductions	492,873	6,942	499,815
Long-term obligations at End of Year	<u>\$ 1,942,327</u>	<u>\$ 45,591</u>	<u>\$ 1,987,918</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2006:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

8. LONG-TERM OBLIGATIONS

	Bonded Debt	Compensated Absences	Total
Current portion	\$ 412,000	\$ -	\$ 412,000
Long-term portion	1,530,327	45,591	1,575,918
Total	<u>\$ 1,942,327</u>	<u>\$ 45,591</u>	<u>\$ 1,987,918</u>

All parish bonds outstanding at December 31, 2006, for \$1,942,327 are general obligations bonds with maturities from 2007 to 2013 and interest rates from 0% to 4.5%. Bond principal and interest payable in the next fiscal year are \$412,000 and \$66,998, respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
C.O.I. Series 2002-A	450,000	4.46%	02/01/2012	107,690	300,000	Ad valorem tax
C.O.I. Series 2002-B	425,000	4.50%	02/01/2012	113,083	315,000	Ad valorem tax
C.O.I. Series 2002-B	75,000	0.00%	08/01/2007	-	15,000	Ad valorem tax
C.O.I. Series 2002-C	400,000	3.75%	03/01/2012	77,250	247,327	Ad valorem tax
Library C.O.I. Series 2003	425,000	3.95%	03/01/2013	105,070	335,000	Ad valorem tax
Library C.O.I. Series 2003	75,000	0.00%	03/01/2008	-	30,000	Ad valorem tax
Refunding C.O.I. Series 2003	1,135,000	.10% to 4.00%	02/01/2009	104,205	590,000	Ad valorem tax
C.O.I. Series 2005	65,000	3.5%	03/01/2008	4,712	45,000	Ad valorem tax
C.O.I. Series 2006	65,000	3.7%	03/01/2009	4,974	65,000	Ad valorem tax

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2006, the police jury has accumulated \$5,379 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2007	\$ 412,000	\$ 66,998	\$ 478,998
2008	425,000	53,164	478,164
2009	428,000	36,887	464,887
2010	200,000	24,024	224,024
2011	270,000	18,995	288,995
2012-2013	207,327	4,177	211,504
Total	<u>\$ 1,942,327</u>	<u>\$ 204,245</u>	<u>\$ 2,146,572</u>

In accordance with R.S. 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At December 31, 2006, the statutory limit is \$24,340,018, and outstanding bonded debt totals \$1,942,327.

9. RETIREMENT SYSTEMS

PLAN DESCRIPTION. Substantially all employees for the financial reporting entity are members of the following cost-sharing, multiple-employer defined benefit pension plan, administered by a separate board of trustees:

9. RETIREMENT SYSTEMS

Entity	Retirement System
Police Jury	Parochial Employees' Retirement System (Parochial Plan A and Plan B)

Employee Eligibility Requirements:

Parochial Plan A and Plan B

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

	Minimum Age	Years of Service	Factor	Percent of Final Average Salary
Parochial Plan A	60	10	3%	30%
	55	25	3%	75%
	Any age	30	3%	90%
Parochial Plan B	62	10	2%	20%
	55	30	2%	60%

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Each of the pension plans also provides death and disability benefits. Benefits are established or amended by state statute.

The retirement system issues an annual publicly available financial report that includes financial statements and required supplementary information. These reports may be obtained by writing or calling the particular retirement system. The following is the mailing address and phone number for the retirement system:

- **Parochial Employees' Retirement System**, Post Office Box 14619, Baton Rouge, Louisiana 70896-4619, (504) 928-1361.

Funding Policy. State statute requires covered employees to contribute a percentage of their salaries to the pension plans. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The required contribution rates by retirement system follows:

Parochial Employees' Retirement System. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The employer's contributions to the retirement system under Plan A for the years ending December 31, 2006, 2005, and 2004, were \$147,878, \$145,649, and \$122,663, respectively, equal to the required contributions for each year.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS

The police jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. Benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$8,384 for 2006 and \$8,255 for 2005. The cost of retiree benefits was \$4,591 for 2006 and \$3,938 for 2005. There were 2 retirees receiving benefits in 2006.

11. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
5% Contingency Fund	\$ 95,422	\$ 1,014	\$ 96,287	\$ 149

12. RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The police jury maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the police jury. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

13. CONTINGENT LIABILITIES

At December 31, 2006, the police jury is involved in nineteen lawsuits. Of these lawsuits, legal counsel believes the likelihood of an unfavorable outcome is: one probable, four reasonably possible and fourteen remote. In the opinion of legal counsel for the police jury, no estimate of loss can be made for any of these.

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended December 31, 2006

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	(OVER) FINAL
REVENUES				
Taxes:				
Ad valorem	\$ 200,000	\$ 200,000	\$ 193,860	\$ (6,020)
Other taxes, penalties, interest, etc.	4,000	4,000	3,884	(316)
Licenses and permits	55,000	68,500	87,447	(1,053)
Intergovernmental:				
Grants - federal and state	254,000	1,226,000	1,433,284	207,284
State funds:				
State revenue sharing (net)	17,080	20,000	17,860	(2,356)
Severance taxes	1,000,000	1,000,000	1,254,472	254,472
Other state funds	82,000	91,000	124,083	33,083
Fees, charges and commissions for services	159,000	158,200	153,501	(4,899)
Fines and forfeitures	3,200	5,400	-	(5,400)
Investment earnings	13,000	14,500	16,066	1,566
Other revenues	136,200	230,800	116,537	(114,263)
TOTAL REVENUES	1,923,480	3,018,400	3,380,714	362,314
EXPENDITURES				
General government:				
Legislative	148,770	145,770	138,652	7,118
Judicial	247,802	263,967	229,288	34,709
Elections	52,617	44,417	34,774	9,843
Financial and administrative	103,719	91,389	89,480	1,909
Other	91,312	108,712	108,473	2,239
Public safety	386,400	409,800	915,908	(508,108)
Health and welfare	5,380	8,647	5,016	3,631
Payments to other governments	12,500	13,000	167,040	(154,040)
Economic development and assistance	210,432	209,328	167,673	81,755
Capital outlay	346,010	1,377,410	759,259	618,150
TOTAL EXPENDITURES	1,614,922	2,672,420	2,803,462	868,018
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	308,558	345,980	777,252	431,332
OTHER FINANCING SOURCES (USES):				
Transfers in	22,000	49,480	20,810	(28,670)
Transfers out	(741,368)	(777,570)	(635,223)	142,347
TOTAL OTHER FINANCING				
SOURCES (USES)	(719,368)	(728,090)	(614,413)	113,677
NET CHANGE IN FUND BALANCE	(410,810)	(382,110)	162,889	545,009
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	660,018	660,018	660,018	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 249,208	\$ 277,908	\$ 822,917	\$ 545,009

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Solid Waste Fund

For the Year Ended December 31, 2006

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	(OVER) FINAL
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	1,400,500	2,300,250	2,284,897	(15,353)
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	-	-	-	-
Other state funds	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Investment earnings	6,000	41,000	43,337	2,337
Other revenues	-	-	-	-
TOTAL REVENUES	1,406,500	2,341,250	2,328,234	(13,016)
EXPENDITURES				
General government:				
Judicial	-	-	-	-
Other	-	-	-	-
Public works	1,744,500	2,879,250	1,435,833	1,243,417
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	1,744,500	2,879,250	1,435,833	1,243,417
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(338,000)	(338,000)	892,401	1,230,401
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(338,000)	(338,000)	892,401	1,230,401
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	375,341	375,341	375,341	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 37,341	\$ 37,341	\$ 1,267,742	\$ 1,230,401

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Parish Road Fund

For the Year Ended December 31, 2006

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	(OVER) FINAL
REVENUES				
Taxes:				
Ad valorem	\$ 1,688,500	\$ 1,678,000	\$ 1,667,848	\$ (10,354)
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	64,016	64,016
State funds:				
Parish transportation funds	280,000	307,000	331,987	24,987
State revenue sharing (net)	150,170	152,900	142,873	(10,227)
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	100,000	200,000	-	(200,000)
Joint service agreement	-	-	-	-
Investment earnings	47,825	309,350	125,680	(184,270)
Other revenues	-	-	57,704	57,704
TOTAL REVENUES	2,246,495	2,647,250	2,388,088	(259,162)
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	4,566,170	4,898,787	2,504,879	2,393,908
Health and welfare	-	-	-	-
Payments to other governments	-	-	1,608	(1,608)
Economic development and assistance	-	-	-	-
Debt service	-	-	-	-
Capital outlay	119,550	120,750	283,720	(162,870)
TOTAL EXPENDITURES	4,685,720	5,019,537	2,790,207	2,228,330
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	(2,439,225)	(2,372,287)	(401,119)	1,971,168
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	65,000	65,000	-
Transfers in	701,881	709,338	753,558	44,218
Transfers out	(153,308)	(163,881)	(130,837)	22,944
TOTAL OTHER FINANCING SOURCES (USES)	548,573	620,457	687,721	67,162
NET CHANGE IN FUND BALANCE	(1,890,650)	(1,751,830)	286,500	2,038,330
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	3,508,788	3,508,788	3,508,788	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 1,618,138	\$ 1,756,958	\$ 3,795,288	\$ 2,038,330

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Compact Fund

For the Year Ended December 31, 2006

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	-	-	-	-
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	650,000	600,000	506,411	(3,589)
Investment earnings	25,000	37,000	42,688	5,688
Other revenues	-	-	113,787	113,787
TOTAL REVENUES	675,000	637,000	762,886	115,886
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	254,242	(254,242)
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service	-	-	-	-
Capital outlay	1,208,000	1,173,000	156,000	1,023,000
TOTAL EXPENDITURES	1,208,000	1,173,000	404,242	768,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(534,000)	(536,000)	348,644	884,644
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(400,000)	(400,000)	(500,000)	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	(400,000)	(400,000)	(500,000)	(100,000)
NET CHANGE IN FUND BALANCE	(934,000)	(936,000)	(151,356)	784,644
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	936,159	936,159	936,159	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 2,159	\$ 159	\$ 784,803	\$ 784,644

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
For the Year Ended December 31, 2006
NOTES TO BUDGETARY COMPARISON SCHEDULES

Budgets and budgetary accounting:

The Police Jury follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to November 1, the department heads submit to the Police Jury a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of a resolution.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Police Jury.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget.

OTHER SUPPLEMENTAL SCHEDULES

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Compensation Paid Elected Officials
For the Year Ended December 31, 2006

Board Member	Amount
A. M. Farris	\$ -
Kent Fontenot	14,400
Andrew Hayes	14,400
Matthew R. Hollins	14,400
Douglas W. Sonnier	14,400
John Strother	14,400
R. E. Weatherford	14,400
	<u>\$ 86,400</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA</u>	<u>Federal</u>
U.S. Department of Transportation - Airport Improvement Program*	20.106	\$ 411,306
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Disaster Grants - Public Assistance (Presidentially Declared Disasters)*	97.036	525,268
<u>Other Federal Awards</u>		
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Homeland Security Grant Program	97.067	1,748
Passed Through the State Department of Military Affairs Hazard Mitigation Grant	97.039	37,500
Passed Through the State Department of Military Affairs State Domestic Preparedness Equipment Support Program	97.004	281,858
Federal Transit Administration, Department of Transportation - Passed Through the State Department of Transportation & Development Formula Grants for Other Than Urbanized Areas	20.509	<u>19,824</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 1,277,504</u>

*Major federal financial assistance program

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2006

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Allen Parish Police Jury. The Allen Parish Police Jury reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2006. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other governmental agencies. The Airport Improvement Program and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) Program were considered major federal programs for the Allen Parish Police Jury.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Allen Parish Police Jury and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury as of and for the year ended December 31, 2006, and have issued our report dated June 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation Airport Improvement Program
97.036	U.S. Department of Homeland Security Passed through the State Department of Military Affairs Disaster Grants – Public Assistance (President Declared Disasters)

Dollar threshold used to distinguish between type A and B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings

2006-1 I/C (Material weakness) Segregation of duties:

Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, recording the disbursements in the journals, and posting to the general ledger. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the Police Jury. We recommend that the police jurors take an active interest in the review of all of the financial information. This was also a prior year finding.

**2006-2 I/C (Material weakness) Acceptance of new roads into parish road system:
2006-1 C**

Criteria:

Allen Parish Code of Ordinances, 74-10 & 74-11:

74-10(j) – Inspection, approval of parish engineer or road superintendent. All roads must be presented to the police jury, which body will in turn have the roads inspected by the parish engineer or road superintendent which initial inspection by the parish engineer or road superintendent will be performed at no expense to the owner. No roads will be accepted without approval of the engineer or road superintendent.

74-11 – Acceptance of new roads and bridges into parish road system-

- a) Specifications adopted. The following requirements for accepting new roads and bridges into the parish road system are hereby adopted:
 - 1. Road grades shall conform in general to the terrain and shall be designed to assure proper drainage.
 - 2. Roads and bridges shall be in accordance with state department of transportation and development minimum design standards. The parish engineer will determine projected average daily traffic counts for new roads, from which a class of highway can be assigned. The parish system of highway classification will be identical to the classification used by the department of transportation and development.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

3. All roads, bridges, and drain structures shall be constructed by the interested party to meet all requirements before acceptance by the police jury.
 4. All new roads and bridges accepted into the parish system must serve a public need.
 5. The police jury shall not pay for or participate in any manner in the construction of such roads.
- b) Acceptance procedure. The procedure for acceptance shall require a written request from the owner to have his street or road accepted by the parish for maintenance. The parish engineer or parish manager will inspect such street or road for compliance with the existing road ordinance. If such street or road does comply, the parish engineer will recommend to the jury that the street or road is ready for a one-year initial acceptance period by the jury. This means that maintenance by the owner will be made as needed during this one-year period. At the end of this one-year maintenance period, the owner will resubmit in writing a request for final approval. The parish engineer or parish manager will reinspect for compliance with the road ordinance. When the street or road is in compliance and the parish engineer so recommends, the jury will accept such street or road for maintenance.

Condition:

The Allen Parish Police Jury has not followed its policy for accepting new roads into the system. The police jury's policy on retaining old roads in the system is allowing the upgrading of roads not used in the past.

In 2006, the police jury accepted eleven roads into the parish road system. The parish's ordinance 74-10 and 74-11 were not followed in the following ways:

1. No documented proof that the roads were inspected by the parish engineer or road superintendent before acceptance.
2. No documentation that the roads conformed to the parish's specifications for minimum design standards.
3. One of these roads terminated at the private driveway of a single house and three of these roads only had two houses located on the road.
4. No written requests from the road owners were received for any of the eleven roads.
5. The parish spent \$15,309 on maintenance (materials only) on eight roads accepted into the parish road system during the one-year initial acceptance period when the police jury cannot expend any funds on the maintenance of these roads.
6. No documented proof that any of these roads were reinspected by the parish engineer or parish manager after the one-year initial acceptance period or that they recommended to the jury that the roads should be accepted into the parish road system for maintenance.
7. No written requests from the road owners for final approval were received for any of the eleven roads.

It is the police jury's unwritten policy that for a road to serve a public need, there must be at least two houses located on the road. It is the police jury's policy that once a road has been accepted into the parish road system, the road remains in the system unless voted on in a meeting of the jury to remove the road from the system. In 2006, three old roads were upgraded at a cost to the police jury of \$1,788 (materials only). All three of these roads had only one house on the road and all were located at the end of the road.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

Effect:

Violation of Allen Parish Code of Ordinances 74-10 and 74-11. Possible violation of Article 7, Section 14(A) of the Louisiana Constitution of 1974 by performing maintenance on roads accepted into the parish road system within the initial one-year period and accepting seven roads either as new roads or upgrading old roads that served no public interests. Public funds totaling \$17,097 was expended for materials on these roads. Article 7, Section 14(A) of the Louisiana Constitution of 1974 prohibits funds, credit, property, or things of value of the state or of any political subdivision from being loaned, pledged, or donated to or for any person.

Cause:

None of the seven jurors, the parish engineer, or road superintendent were aware of the specifics of their road acceptance ordinance.

Recommendation:

The police jury must follow all sections of its ordinances 74-10 and 74-11 in regards to accepting new roads into its parish road system. The police jury should consider whether its policy of two houses located on a road actually serves a public need and if it is in the best interests of the citizens of Allen Parish as a whole.

The police jury should reevaluate its policy on the continued existence of old parish roads that no longer serve a public need in the parish road system. The police jury should consider, after consulting with its legal advisor, the possibility of removing old roads from the system after a certain time period with no residences located on it. Also, the police jury should seriously reconsider the practice of upgrading unused parish roads when an individual requests such work be done.

2006-3 I/C (Material weakness) Retroactive pay raise:
2006-2 C

Criteria:

Article 7, Section 14(A) of the Louisiana Constitution of 1974 – No funds, credit, property, or things of value of the state or of any political subdivision shall be loaned, pledged, or donated to or for any person.

Condition:

During 2006, the police jury granted a retroactive pay raise to a part-time employee. Employees cannot be compensated for work already performed at a rate higher than the rate agreed upon earlier. The extra compensation totaled \$357.

Effect:

Possible violation of Article 7, Section 14(A) of the Louisiana Constitution of 1974.

Cause:

Administrative oversight.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

Recommendation:

The police jury should not grant retroactive pay raises in the future.

**2006-4 I/C (Material weakness) Appointment of building official:
2006-3 C**

Criteria:

R.S. 40:1730.25 – each parish shall appoint a council-certified building official or contract with other governmental entities or third parties as authorized in R.S. 40:1730.24 of this part so that the unincorporated area of the parish is under the jurisdiction of a council-certified building official. A parish may use a certified building inspector in lieu of a certified building official for a period not to exceed four years from the date the state uniform construction code becomes effective in the parish. Effective as of December 31, 2006.

Condition:

The police jury did not enact R.S. 40:1730.25 by December 31, 2006 and as of June 25, 2007, had still not done so.

Effect:

R.S. 40:1730.25 not complied with.

Cause:

Administrative oversight.

Recommendation:

The police jury should enact R.S. 40:1730.25, along with any changes from the current legislative session as soon as possible.

**2006-5 I/C (Material weakness) Parish Transportation Act:
2006-4 C**

Criteria:

R.S. 48:751-762 – Parish Transportation Act – requires the police jury to administer the parish road system efficiently and centrally as a whole. This method of administration is commonly referred to as the "unit system." Applying the concepts of the unit system to the administration of a road program, the police jury is required to implement a centralized accounting system, parish-wide capital improvement plan, and selective maintenance programs based upon the prioritization of projects developed collectively by the police jury. Also, a centralized purchasing system should be implemented and work assignments should be centrally scheduled and supervised by the parish manager.

No member of the governing authority shall expend any funds in his ward or district without the approval of the parish governing authority.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

The parish-wide selective maintenance program shall provide for a schedule of the work to be performed by category, on a weekly basis. The program shall be prepared and administered by the parish road manager. The parish road manager may authorize maintenance work not contained in the weekly schedule upon receipt of constructive notice of a defect in the parish road system and when, in the opinion of the parish road manager, the defect constitutes a hazard to public safety. The parish road manager shall maintain a record of the work so authorized and shall report the total amount of such expenditures on a monthly basis to the parish governing authority.

Condition:

The Parish Transportation Act specifically forbids the police jury from operating a Ward System for road maintenance, a system driven by individual jurors and not the most critical needs of the parish as a whole. The intent of the Parish Transportation Act is to require the parish government to operate on a parish-wide basis. In making decisions and setting priorities, the act requires that the governing authority consider the parish as a whole and not make decisions and set priorities based on political boundaries (wards) within the parish. The act also requires that all road maintenance be under the direction of the parish road manager.

The parish's system of road administration is now based on election districts. The parish barns are located in what we consider to be logical and efficient areas of the parish. However, the area that each road district maintains is based on election districts. This causes inefficiencies in the use of equipment and manpower and appears to be a violation of the Parish Transportation Act.

The weekly work schedules are being prepared by each foreman for each road district. These schedules are turned into the road superintendent the week prior to the schedule date. The road superintendent reviews the schedule and then approves it. From several instances noted during our audit, changes to work schedules are not always being done by work orders turned into the road superintendent and then approved by him. One instance noted was of seven to eight yards of limestone (cost \$225) placed on an old parish road. The road foreman for that area stated that the property owner had requested the limestone and the foreman then called the juror for that area to get his approval. The road foreman stated that the juror told him to place the limestone on the road. The road foreman stated that no work order was turned into the road superintendent. The parish road superintendent or the parish engineer had no knowledge of this work being done. No work order could be found nor could any reference for this work be found in the weekly work schedule. Another instance was noted by the auditor himself. Parish employees were observed placing a culvert in a parish road ditch. This work was not on the weekly work schedule. There was no work order turned into the parish road superintendent for his approval of this work. The road superintendent stated he had no knowledge of this work being performed. The road foreman stated that he was going to place this job on the following weekly work schedule, but due to weather conditions at the time, work scheduled for that time period could not be performed, so he instructed his crew to install the culvert. The road foreman stated that no work order was turned into the parish road superintendent.

During interviews with the individual jurors, parish engineer, and parish road superintendent, it became evident that not all road maintenance was being directed by the parish road manager, and therefore not being approved by the parish governing authority.

Effect:

The above mentioned conditions appear to be violations of R.S. 48:751-762, the Parish Transportation Act.

Cause:

Administrative oversight.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

Recommendation:

The police jury must comply with the Parish Transportation Act. The State of Louisiana has the right to withhold parish transportation funds from any governing authority who violates this act. The police jury received \$322,856 in parish transportation funds in 2006. The parish road superintendent should prepare all weekly work schedules and only work on these schedules should be performed. Any deviation from this schedule should come from work orders turned into the parish road superintendent and approved by him before being placed on the schedule. Individual jurors should not instruct any parish employees on work to be performed. The police jury should revise its organization of road district maintenance away from election districts and towards the most efficient use of equipment and manpower to serve the parish as a whole. The police jury should consider hiring a parish administrator.

**2006-6 I/C (Material Weakness) Local government budget act – Budgetary authority & control:
2006-5 C**

Criteria:

La. Rev. Stat. §39:1311 (A) (1). Whenever total actual revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more, the budget shall be amended.

Condition:

Actual revenues and other sources failed to meet budgeted revenues and other sources by 6% in the Parish Road Fund for the year ended December 31, 2006.

Cause:

Administrative oversight.

Recommendation:

The police jury should amend its budget whenever actual revenues and other sources plus projected revenues and other sources fail to meet budgeted revenues and other sources by five percent or more.

Section III – Federal Award Findings and Questioned Costs

None.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Management's Corrective Action Plan (Unaudited)
For the Year Ended December 31, 2006

Section I Internal Control and Compliance Material to the Financial Statements:

2006-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person – Andrew Hayes, President.

**2006-2 I/C Acceptance of new roads into parish road system:
2006-1 C**

Recommendation: The police jury must follow all sections of its ordinances for accepting new roads into its parish road system. The police jury should consider whether its policy of two houses located on a road actually serves a public need. The police jury should reevaluate its policy on the continued existence of old parish roads that no longer serve a public need. The police jury should consider removing old roads from the system after a certain time period with no residences located on it. The police jury should also reconsider the practice of upgrading unused parish roads.

Planned Action: The police jury will begin following all sections of its ordinances for accepting new roads into its parish road system. The police jury will reevaluate the policy on the continued existence of old parish roads that no longer serve a public need in the parish road system and reconsider the practice of upgrading unused parish roads. Also, the police jury will consider whether its policy of two houses located on a road actually serves a public need.

Contact person – Andrew Hayes, President.

**2006-3 I/C Retroactive pay raise:
2006-2 C**

Recommendation: The police jury should not grant retroactive pay raises.

Planned Action: The police jury will not grant retroactive pay raises in the future.

Contact person – Andrew Hayes, President.

**2006-4 I/C Appointment of building official:
2006-3 C**

Recommendation: The police jury should enact R.S. 40:1730.25 as soon as possible.

Planned Action: The police jury will enact R.S. 40:1730.25 as soon as possible.

Contact person – Andrew Hayes, President.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Management's Corrective Action Plan (Unaudited)
For the Year Ended December 31, 2006

**2006-5 I/C Parish Transportation Act:
2006-4 C**

Recommendation: The police jury should comply with the Parish Transportation Act. The parish road superintendent should prepare the weekly work schedules. The only deviations to the work schedules should be from work orders approved by the parish road superintendent. Individual jurors should not instruct any parish employee on work to be performed. The police jury should revise its organization of road district maintenance away from election districts and towards the most efficient use of equipment and manpower. The police jury should consider hiring a parish administrator.

Planned Action: The police jury will comply with the Parish Transportation Act. The parish road superintendent will prepare all weekly work schedules, and the only deviations to the work schedules will be from work orders approved by the parish road superintendent. Individual jurors will not instruct any parish employee on work to be performed. The police jury will revise its organization of road district maintenance away from election districts and towards the most efficient use of equipment and manpower. The police jury will consider hiring a parish administrator.

Contact person – Andrew Hayes, President.

**2006-6 I/C Local government budget act – Budgetary authority & control:
2006-5 C**

Recommendation: The police jury should amend its budget whenever actual revenues and other sources plus projected revenues and other sources fail to meet budgeted revenues and other sources by five percent or more.

Planned action: The police jury will amend its budget whenever necessary in the future.

Contact person – Andrew Hayes, President.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2006

Section I - Internal Control and Compliance Material to the Financial Statements

2005-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 2006-1 I/C.

**2005-2 I/C (12/31/05) Local government budget act- Budgetary authority and control:
2005-1 C**

Actual revenues and other sources failed to meet budgeted revenues and other sources by five percent or more in the General Fund and Parish Road Fund.

Corrective action taken - Yes.

INDEPENDENT AUDITOR'S REPORT SECTION

Stutzman & Gates, LLC

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Allen Parish Police Jury
Oberlin, Louisiana**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury, as of and for the year ended December 31, 2006, which collectively comprise the Allen Parish Police Jury's basic financial statements and have issued our report thereon dated June 25, 2007. Our report on the financial statements disclosed that the financial statements include only the financial activities of the primary government and that the financial activities of other component units that form the reporting entity are not included. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Police Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Allen Parish Police Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Allen Parish Police Jury's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Allen Parish Police Jury's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Allen Parish Police Jury's financial statements that is more than inconsequential will not be prevented or detected by Allen Parish Police Jury's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. 2006-1 I/C, 2006-2 I/C, 2006-3 I/C, 2006-4 I/C, 2006-5 I/C, 2006-6 I/C.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Allen Parish Police Jury's internal control.

Allen Parish Police Jury
June 25, 2007

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2006-1 I/C, 2006-2 I/C, 2006-3 I/C, 2006-4 I/C, 2006-5 I/C, and 2006-6 I/C to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2006-1 C, 2006-2 C, 2006-3 C, 2006-4 C, and 2006-5 C.

Allen Parish Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Allen Parish Police Jury's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Stutzman & Gates, LLC
June 25, 2007

Stutzman & Gates, LLC

Certified Public Accountants

Members:
*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants*

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Allen Parish Police Jury
Oberlin, Louisiana**

Compliance

We have audited the compliance of Allen Parish Police Jury with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. Allen Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Allen Parish Police Jury's management. Our responsibility is to express an opinion on Allen Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Allen Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Allen Parish Police Jury's compliance with those requirements.

In our opinion, Allen Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Allen Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Allen Parish Police Jury's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

Allen Parish Police Jury
June 25, 2007

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, others within the entity, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Stutzman & Gates, LLC
June 25, 2007